

RESPONSIVE TESTIMONY OF
DANIEL F. KASSIS, P.E.
ON BEHALF OF
DOMINION ENERGY SOUTH CAROLINA, INC.
DOCKET NO. 2021-88-E

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **OCCUPATION.**

3 A. My name is Daniel (“Danny”) F. Kassis. My business address is 2392 West
4 Aviation Avenue, North Charleston, South Carolina 29406. I am the General
5 Manager of Strategic Partnerships & Renewable Energy, for Dominion Energy
6 South Carolina, Inc. (“DESC”). My responsibilities include developing DESC’s
7 strategy for deploying and utilizing renewable assets consistent with state policy in
8 the most efficient and beneficial manner to DESC’s customers. I oversee customer
9 facing solar and all renewable energy initiatives for DESC and I am also responsible
10 for negotiating and obtaining final approval for renewable energy purchase
11 contracts for DESC. I have signed all purchase contracts for DESC under the
12 Distributed Energy Resources Act, as well as numerous renewable resource power
13 purchase agreements.

1 **Q. ARE YOU THE SAME DANNY KASSIS THAT OFFERED DIRECT AND**
2 **REBUTTAL TESTIMONY IN THIS DOCKET?**

3 A. Yes, I am.
4

5 **Q. WHAT IS THE PURPOSE OF YOUR RESPONSIVE TESTIMONY?**

6 A. The purpose of my responsive testimony is to respond to certain items within
7 the Independent Report on Dominion Energy South Carolina, Inc.'s 2021 Avoided
8 Cost Proceeding, authored by London Economics International LLC ("LEI"), and
9 originally filed in this docket on September 17, 2021 (as corrected, the "Report").¹
10 Specifically, I discuss how DESC clearly achieved the applicable standard of
11 transparency within S.C. Act No. 62 of 2019 ("Act No. 62"), while demonstrating
12 practical limitations associated with LEI's suggested standard for transparency. I
13 explain that DESC and LEI both agree that the Commission can protect DESC's
14 customers, in part, by simply ensuring that avoided costs established in this
15 proceeding do not result in overpayment for QF power. Finally, although the RFP
16 process mentioned by LEI is outside the scope of this docket, I point out several
17 areas related to this process on which DESC and LEI are aligned.
18

19 **Q. ON PAGE 70 OF THE REPORT, LEI NOTED THAT DESC WAS "HIGHLY**
20 **RESPONSIVE" TO ITS INTERROGATORIES AND MADE CERTAIN**

¹ LEI filed a corrected version of the Report on September 22, 2021.

**SUGGESTIONS REGARDING INFORMATION SHARING GOING
FORWARD. HOW DOES DESC RESPOND TO LEI'S SUGGESTIONS FOR
FUTURE DOCKETS?**

A. Let me start by saying that DESC has been transparent with all parties in this docket. DESC has clearly met, if not exceeded, the applicable standard of transparency within Act No. 62, which requires DESC's avoided cost filing in this docket to be "reasonably transparent so that underlying assumptions, data, and results can be independently reviewed and verified by the parties and the commission."² The ORS expressed the same conclusion in the direct testimony of Witness Horii, who expressly stated that DESC's filings in this docket were "reasonably transparent."³

For example, in response to LEI's data requests specifically, DESC produced a substantial amount of data—over 600 files. Additionally, DESC responded to the majority of all data requests in this docket earlier than the applicable deadline.

On page 70 of the Report, LEI suggests that transparency should be judged "primarily . . . on whether the application was presented in a way which minimizes the need for interrogatories in the first place," but this standard is not rooted in Act No. 62 and ignores the purpose of discovery—as such, it could lead to unintended consequences.⁴ Likewise, implementing such a standard would prove impractical—

² S.C. Code Ann. § 58-41-20(J).

³ Revised Direct Testimony of Brian Horii, p. 4, ll. 16-22.

⁴ For example, intervenors seeking to discredit DESC's transparency would be incentivized to issue discovery requests when they otherwise may not issue such requests.

1 as evidenced by the fact that LEI failed to achieve the very standard it suggested.⁵

2 Notwithstanding the discovery requests issued to LEI, DESC believes LEI has been
3 transparent and the additional exchange of data through discovery is the sign of
4 healthy information sharing that benefits the proceeding as a whole.

5 Although DESC maintains that it has been faithful to the applicable standard
6 of transparency set forth in Act No. 62, DESC appreciates LEI's input on this issue.

7
8 **Q. DO YOU AGREE WITH LEI'S RECOMMENDATION ON PAGE 73 OF**
9 **THE REPORT THAT ENSURING CUSTOMERS DO NOT "OVERPAY**
10 **FOR QF POWER" SHOULD BE A KEY OBJECTIVE IN THIS DOCKET?**

11 A. I do—particularly given that LEI's concern for customers is echoed by Act
12 No. 62 and recent decisions by the Federal Energy Regulatory Commission (the
13 "FERC"). As for Act No. 62, it guards against overpayment to qualifying facilities
14 under PURPA (each, a "QF") by mandating that the rates set in this docket should
15 "fully and accurately reflect" DESC's actual avoided costs.⁶

16 LEI's concerns regarding inflated avoided cost rates align with the FERC's
17 recent findings in Order No. 872, in which the FERC reviewed evidence from across
18 the country and found that there "are numerous instances where overestimates and
19 underestimates [of avoided costs] have not balanced out."⁷ In those scenarios, the

⁵ In response to the Report, multiple parties issued discovery requests to LEI.

⁶ S.C. Code Ann. § 58-41-20(B)(1).

⁷ *Qualifying Facility Rates and Requirements Implementation Issues Under the Public Utility Regulatory Policies Act of 1978*, Order No. 872, 85 FR 54638 (Sep. 2, 2020), 172 FERC ¶ 61,041, at P. 254 (2020) ("Order No. 872").

FERC found that “customers have borne the brunt of the overpayments, which subsidized QFs, in contravention of Congressional intent and the Commission’s expectations.”⁸ In response, the FERC made clear that neither PURPA nor the FERC intend for ratepayers to subsidize QF generation through inaccurate, inflated avoided cost rates.⁹ Clearly, LEI’s concern for inflated avoided cost rates—resulting in overpayment to QFs—reflects key concerns of Act No. 62 and the FERC. As such, LEI is aligned with the FERC, the South Carolina General Assembly, and DESC in their recognition that the Commission can protect customers, in part, simply by setting accurate avoided cost rates in this docket.

Q. PLEASE RESPOND TO LEI’S DISCUSSION OF THE RFP PROCESS ON PAGE 71 OF THE REPORT.

A. At the outset, DESC recognizes that this topic is the subject of another docket established by the Commission pursuant to a different provision of Act No. 62. Specifically, the Commission is exploring the RFP-related items—including best practices—in the CPRE docket established by the Commission in Docket No. 2019-365-E, which was established pursuant to S.C. Code Ann. § 58-41-20(E)(2).¹⁰ As

⁸ *Id.*

⁹ *See id.*

¹⁰ In Order 2020-799, the Commission ordered that the purpose of the CPRE docket was to “explore” various aspects of the CPRE process, rather than actually establishing any such program. On July 22, 2021, DESC filed a proposed procedural schedule for Docket No. 2019-365-E. That proposal remains pending before the Commission.

1 such, DESC believes that the RFP process is outside the scope of this docket, which
2 is outlined by a different provision of Act No. 62—S.C. Code Ann. § 58-41-20(A).¹¹

3 Although these topics are outside of the scope of this docket, it appears that
4 LEI rightly recognizes that PURPA is not the appropriate mechanism for utilities to
5 add renewable generation in response to an identified need. Rather, PURPA is first
6 and foremost a mechanism through which QFs may force utilities to purchase power
7 if it can do so at rates that do not exceed the utility's avoided cost rates—without
8 any consideration of whether that power meets an identified need of the utility. On
9 the other hand, an RFP process permits the utility to add a defined amount of MW
10 to its system in response to a need identified through the IRP process. As such,
11 DESC agrees with LEI that any such RFP process should be “consistent with an
12 approved IRP,” and the Report indicates that there are a number of ways that this
13 process can be designed to meet such a need. Similarly, DESC outlined numerous
14 potential options and sampled best practices in the CPRE docket currently before
15 the Commission. DESC and LEI appear aligned on the fact that the RFP process can
16 take a number of forms, but should ultimately be designed around the utility's IRP.
17

¹¹ S.C. Code Ann. § 58-41-20(A) outlines the scope of this docket, which is to “approve each electrical utility's standard offer, avoided cost methodologies, form contract power purchase agreements, commitment to sell forms, and any other terms or conditions necessary to implement this section.” Clearly, Act No. 62 does not contemplate the Commission addressing RFP-related topics in this docket.

1 **Q. DOES THIS CONCLUDE YOUR PRE-FILED RESPONSIVE**
2 **TESTIMONY?**

3 **A.** Yes, it does.